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MEETING OF SENIOR EXPERTS ON INDUSTRIAL CO-OPERATION BETWEEN DEVELOPING AND SOCIALIST COUNTRIES*/

Sofia, Bulgaria
4 to 8 September 1979

Paper prepared by the secretariat of UNIDO

*/ The attached paper is available in English, French and Russian, which were the working languages of the above-mentioned meeting.

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INTRODUCTION

In compliance with the Work Programme for 1979 adopted by the Joint UNIDO/ Bulgaria Committee for Co-operation, a Meeting of Senior Experts was held in Sofia from 4 to 8 September 1979. The experts reviewed the functioning of the mechanism of industrial co-operation between developing and socialist countries and discussed ways and means of improving it further.

The Sofia Meeting was the first international forum ever held on this subject in which UNIDO was involved as a co-sponsor. This was also the only international gathering to discuss, in a systematic way, the practical issues of industrial co-operation between developing and socialist countries on the eve of the Third General Conference of UNIDO and, therefore, to contribute to it.

Fifty-five senior experts from twenty countries and three international organizations attended the Meeting: Algeria, Bangladesh, Congo (People's Republic), India, Iraq, Mozambique, Nigeria, Pakistan, Syria, Venezuela, Yemen (Democratic Republic), Mongolia, Vietnam, Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, Romania, USSR, CMEA, UNCTAD and UNIDO, as well as a representative of the United Nations Commission on International Trade Law. Seven developing countries were represented at the deputy-ministerial level.

It was felt that the issues discussed at the Meeting are very relevant to the agenda of the Third General Conference of UNIDO and may be of interest to the delegations. This prompted the Secretariat to make available to the delegations the most essential information regarding exchanges of views and experience which took place at the Meeting in the form of a background document of the Conference.

The Secretariat of UNIDO is proceeding with consultations with the Governments of the CMEA member countries as well as with the CMEA Secretariat for reviewing the ideas, suggestions and recommendations put forward by the participants at the Sofia Meeting and identifying priority areas for joint action.

This background document contains:

1. Aide-Mémoire adopted by consensus by the participants at the Sofia Meeting;

2. Summary of New Ideas, Suggestions and Recommendations put forward by the participants at the Meeting, prepared by the Secretariat.

Meeting of Senior Experts on Industrial Co-operation between Developing and Socialist Countries

Sofia, Bulgaria, 4 - 8 September 1979

SUMMARY OF NEW IDEAS, SUGGESTIONS AND RECOMMENDATIONS[1/]

The Secretariat of the United Nations Industrial Development Organization (UNIDO) and the Government of the People's Republic of Bulgaria sponsored jointly a Meeting of Senior Experts on Industrial Co-operation between Developing and Socialist Countries, held in Sofia from 4 to 8 September 1979. Fifty-five senior experts from twenty countries and three international and intergovernmental organizations took part in the Meeting. This was the first involvement ever of UNIDO as co-sponsor of an international meeting on such a subject.

The overall assessment of the Meeting is very positive, both with regard to the substantive and to the organizational aspects.

More than fifty speakers took part in the discussions on the four agenda items:

1. Institutional and legal structure for industrial co-operation between developing and socialist countries; a system of long-term framework agreements for economic co-operation; general and specific agreements and contracts for industrial co-operation;
2. Present status of the industrial co-operation between developing and socialist countries; existing forms and accumulated experience, achievements and problems;
3. Potentials for expanding industrial co-operation between developing and socialist countries; new approaches and forms of industrial co-operation;

1/ This is not an official document of the Meeting, but rather an informal unbinding summary of the issues discussed, prepared by the Secretariat of UNIDO. The views expressed in this informal document are not necessarily shared by all participants to the Meeting. The document reflects new ideas, suggestions and recommendations made by different speakers and picks up those which seemed to be commonly shared by the prevailing number of the participating senior experts and are important enough to be reviewed. The summary does not therefore claim to be complete.

AIDE-MEMOIRE

of the Participants in the
Meeting of Senior Experts on Industrial Co-operation
between Developing and Socialist Countries,
adopted by consensus on 8 September 1979 in Sofia

1. The participants in the Meeting express appreciation to the Government of the People's Republic of Bulgaria and to the Secretariat of the United Nations Industrial Development Organization (UNIDO) for having organized this Meeting.

2. The participants find that industrial co-operation between developing and socialist countries has developed successfully on the whole. Considerable achievements have been made in this co-operation which facilitated industrialization in many developing countries. The participants also, after having reviewed the existing obstacles and problems, feel that the solution of these problems through their joint efforts would further promote mutually beneficial co-operation between developing and socialist countries.

3. The participants consider the discussions which took place as very constructive and fruitful. The large number of papers submitted to the Meeting, the new ideas, suggestions and recommendations may contribute to the operational activities of the Secretariat of UNIDO as well as to the preparation for the forthcoming Third General Conference of UNIDO.

4. The participants will bring the findings of the Meeting to the attention of the relevant authorities and agencies in their countries, as well as to the Secretariats of UNIDO, UNCTAD and CMEA, to be used as deemed appropriate.

5. The participants recommend to the Government of the People's Republic of Bulgaria and to the Secretariat of UNIDO to hold each year within the framework of the Plovdiv International Fair consultation meetings between representatives of Bulgaria and interested developing countries to discuss in specific terms co-operation among them in selected industrial branches or sub-branches of mutual interest.

2. Present experience and potential role of the United Nations, international and intergovernmental organizations in promoting international industrial co-operation with special reference to industrial co-operation between developing and socialist countries.

All participants made a positive assessment of the role of the socialist countries in promoting industrialization of developing countries. It was explicitely stated that "the co-operation between the developing and socialist countries is a powerful factor for change and improvement in the international economic relations for the establishment of new international economic order".

The speakers from the developing countries underlined the fact that economic co-operation between their countries and socialist countries has always been based on friendly terms, mutual respect, mutual interest, non-interference and free of political and other terms detrimental to the interests of the weaker partners.

The experts also reviewed the existing difficulties and obstacles in the functioning of the mechanism of industrial co-operation between developing and socialist countries, underlining that they do not arise from fundamental conflicting interests and are, for this reason, relatively easy to eliminate. These difficulties are mostly related to the differences in the level of socio-economic development of the partner countries; differences in the role of the public and private sectors in their economies; differences in the degree of sophistication and the role of economic planning; differences in the institutional and legal infrastructures; balance of payments difficulties in both groups of countries; insufficient experience in industrial co-operation between them, which began on a larger scale only ten to fifteen years ago.

At the last session on 8 September 1979, the participants adopted by consensus a document, which they decided to call an "Aide Mémoire", in which the experts:

(a) express gratitude to the Government of the People's Republic of Bulgaria and to the Secretariat of UNIDO for having organized this Meeting;

(b) consider the discussions which took place as very fruitful and constructive;

(c) emphasize that industrial co-operation between developing and socialist countries has successfully developed on the whole, despite some shortcomings;

(d) express the desire that the findings of the Meeting should be brought to the attention of the relevant agencies in both the developing and socialist countries as well as to the attention of the Secretariats of UNIDO, UNCTAD and the CMEA;

(e) recommend to the Government of the People's Republic of Bulgaria and to the Secretariat of UNIDO to hold each year, within the framework of the Plovdiv International Fair, consultation meetings between representatives of Bulgaria and interested developing countries to discuss in specific terms the co-operation among them in selected industrial branches of sub-branches of mutual interest.

During the active professional exchanges a number of specific new ideas were raised and many suggestions and recommendations were made, addressed to the respective agencies in both the developing and socialist countries as well as to the secretariats of the international and intergovernmental organizations represented at the Meeting. The most important of them are the following:

1. Planning of Industrial Co-operation between Developing and Socialist Countries

The experts felt that more efforts are needed on both sides for gradually achieving better co-ordination between the national development plans (or the plans of selected industrial sectors) of the socialist countries and the interested developing countries. Even only partial co-ordination in selected important industrial sectors, to begin with, would be of considerable importance.

Emphasis was placed on the necessity of gradual introduction of medium- and long-term planning of industrial co-operation between developing and socialist countries on bilateral basis as well as, at a later stage, on a multilateral basis. The usefulness of concluding long-term (for ten to fifteen years) agreements and comprehensive programmes for bilateral co-operation was underlined. It was felt that these programmes might envisage regular close consultations on a permanent basis between relevant agencies of interested developing and socialist countries; establishment of joint economic organizations and joint production enterprises; compensation agreements; tripartite co-operation; etc.

It was also felt that more efforts, on both sides, are needed to make the time horizons of the intergovernmental long-term framework agreements consistent with the time horizons of the national development plans.

The desire was expressed for additional efforts on both sides aiming at filling in the general framework agreements with real content by way of concluding specific agreements and contracts, and on these grounds, establishing closer direct relationships between production and commercial firms, engineering designing organizations, research institutes, educational and training institutions, industrial information centres, etc., from socialist countries and interested developing countries.

Referring to the imperfections and the shortcomings of economic planning and the acute lack of industrial and other information in developing countries, the experts from these countries asked if the respective agencies from the socialist countries would demonstrate even greater understanding and flexibility, being ready, if necessary, to make possible adjustments in their plans as well as in their production capacities in order to meet urgent requirements of developing countries, i.e. speedier supply of needed machines and equipment and the spare parts thereof, etc.

The relevant planning agencies in socialist countries were also asked to explore further the possibilities for better taking into consideration, in the process of elaboration of their national economic plans, the requirements of the developing countries, particularly of capital goods, as well as the possibilities of importing some commodities from these countries on mutually advantageous terms instead of creating additional production capacities at home. The relevant policy-making and planning agencies of developing countries should also offer their full co-operation on this matter.

2. Promotion of Imports in Socialist Countries from Developing Countries

Experts from developing countries felt that additional measures are needed to facilitate the access of commodities produced by their countries to the markets of the socialist countries. These experts felt that it would be desirable if the relevant agencies in the socialist countries would explore the feasibility of further lowering, and if possible, eliminating tariffs on imports of goods produced by developing countries and particularly by the least developed among them. In this connexion, the importance of the General System of Preferences was repeatedly underlined. Along this same line, wishes were expressed for the socialist countries to explore the possibilities for expanding the practice of export credits and of guarantees on export credits.

3. Promotion of Exchanges of Economic, Legal, Institutional and other Information

Many speakers referred to the necessity of undertaking initiatives by both sides aimed at knowing each other better, and particularly of acquainting the relevant agencies in developing countries with the economic, legal, financial, institutional and other aspects of the functioning of the socio-economic system in socialist countries. The same desire was expressed by the experts of the socialist countries with regard to the developing countries.

The respective agencies in the socialist countries were also asked to make additional efforts for providing relevant information to the partners from developing countries on their medium- and long-term development plans in order to facilitate identification and utilization of the existing potential for co-operation. Agreeing that there is room for improvement along these lines, the experts from the socialist countries pointed out the serious difficulties in this area related to vital economic and commercial interests of their countries, possible counteraction from the competition, the indicative nature of planning in most developing countries unlike the directive nature in socialist countries, etc.

4. The Role of Socialist Countries in Promoting Co-operation among Developing Countries

Most of the experts from developing countries expressed the feeling that pre-conditions exist for a more active role of the socialist countries in promoting economic co-operation among developing countries. Reference was made to more active application of various forms of tripartite and multipartite co-operation - co-operation between a socialist and a developing country with another developing country; co-operation of one or more socialist countries with a group of developing countries; co-operation between socialist and a western country(ies) with a developing country(ies); establishment of consortia of a group of socialist countries for co-operation with one or more developing c untries; more active co-operation of the CMEA Secretariat with some regional economic organizations of developing countries or with individual developing countries. It was strongly felt that in the area of tripartite co-operation the time has come to move from the stage of discussing concepts towards the stage of action.

Wishes were expressed for exploring the possibilities of undertaking specific steps in this direction: providing credits for the establishment

of investment projects in a third country; establishment of joint ventures of a socialist country(ies) with a developing country(ies); creation of joint economic organizations (companies); carrying out more active geological, pre-investment and other studies by socialist countries in developing countries aimed at facilitating the economic co-operation among the latter; identifying leading countries and companies for industrial co-operation in various branches, sub-branches and areas, bearing in mind, inter alia, the accumulated impressive experience in economic integration within the CMEA; investigating potentials for contracting and subcontracting in the production area; carrying out joint pre-investment studies, designing, construction and running of industrial projects, etc.

5. Promotion of New Forms of Close Industrial Co-operation between Developing and Socialist Countries

Many speakers from developing countries expressed the interest of their agencies and governments in establishing close production and other co-operation with socialist countries by way of various conventional and non-conventional forms and approaches on a long-term bilateral basis: in the area of joint geological and other investigations; joint pre-investment studies; joint designing for identified investment projects; joint development of new technologies of common interest; joint efforts in the field of licences; production specialization and co-operation (contracting and subcontracting) - comprizing specialization on the basis of final products and of components; expansion of exchange of final or semi-final products - consumer goods, raw materials, some capital goods; joint construction of new projects as well as expansion and modernization of existing industrial establishments; establishment of specialized joint economic organizations (companies) for research and development, pre-investment studies, designing, production, distribution, marketing, shipping; conclusion of compensation agreements. The experts strongly believed that the above, as well as other appropriate forms of co-operation, would gradually contribute towards positive changes in the world industrial structure in favour of the developing countries.

6. The Role of Socialist Countries in Financing Industrial Projects in Developing Countries

Suggestions were made for more active participation of socialist countries in financing industrial projects in developing countries and

particularly for promotion of the strategic industrial sectors, i.e. metallurgy, production of energy and raw materials, machine building industries, chemical industries, building materials industries, agro-based and agro-related industries. Wishes were expressed that the agencies from socialist countries could pay greater attention not only to financing the construction of new production capacities, but also to financing the development of the capital-intensive infrastructure, indispensible for the normal functioning of the production capacities.

In view of the usually longer duration of construction and maturation of investment projects in developing countries, the relevant agencies in socialist countries were asked to take this into consideration when setting the terms of repayment for credits.

Speakers from less-developed developing countries expressed the desire that investment credits might also include international transportation and insurance costs and the C.I.F. prices of delivered equipment might be used instead of the F.O.B. prices. The relevant agencies in socialist countries were therefore asked to consider such alternatives in future dealings with developing countries.

7. The Role of Socialist Countries in Training Skilled Manpower for Industry in Developing Countries

The speakers emphasized the large contribution of socialist countries in providing various forms of training for more than one million nationals of developing countries. They also reminded the Meeting of the acute shortage of skilled labour for industry in developing countries and expressed the desire for even more active contribution on the part of the socialist countries in the field of industrial training. More funds should be allocated in the contracts for supply of complete plants as well as other deliveries of equipment for training of more workers and technicians, not only for the construction but also for the normal operation, repair and maintenance of the industrial establishments. Special attention should be given to training managers: engineers, economists, accountants, marketing personnel, etc. The training of personnel should take place prior to the commissioning of new capacities as well as afterwards, so long as the local management is not prepared to take over the training activities. More efforts are needed on both sides for better adjustment of the training programmes to the prevailing conditions in developing countries.

Suggestions were made that the socialist countries, either individually or within the framework of the CMEA, might take the initiative in establishing several specialized training centres for upgrading the skill of skilled workers and engineers from developing countries. These training centres might be located in socialist countries and gradually set up branches in the developing countries with regional coverage. The Secretariats of UNIDO, ILO and the CMEA, the Government of Bulgaria and the relevant agencies in other socialist countries were asked to explore jointly the feasibility of establishing the specialized training centres proposed above and to discuss the practical steps to be taken by the governments and international agencies concerned. While doing so, one might benefit from the accumulated experience made by the Lumumba University in Moscow and the International Institute on Journalism in Berlin (GDR).

8. The Role of Socialist Countries in Promoting Raw Materials and Energy Producing Sectors in Developing Countries

The various aspects of the raw materials and energy producing sectors of industry enjoyed special attention. The relevant agencies in socialist countries were asked to expand their activities in geological prospecting for mineral resources in developing countries because the latter are not sufficiently equipped to undertake such activities alone. The value of the technical assistance should be paid by delivery of raw materials from the mineral deposits thus discovered or with finished and semi-finished products of manufacturing industries established on the basis of those mineral deposits, again eventually with assistance of the socialist countries.

It was stated that the raw materials and energy producing sectors provide ample room for economic co-operation between developing and socialist countries. This is valid for all socialist countries, those which import raw materials and fuel and those which have resources, because it offers opportunities for a mutually beneficial exchange of mineral resources. There is much room for socialist countries with extensive exerpience in exploration, production and utilization of specific mineral resources to share their experience with interested developing countries on mutually beneficial terms. It was also indicated that various forms of bilateral, trilateral and multilateral co-operation may be used to this end.

It is commonly felt that developing countries are rich in mineral resources. This, however, does not apply to all developing countries and

to all mineral resources. For instance, many developing countries are short of some strategic resources (coking coal, sulfur, etc.) and are entirely dependant for their supply on the western countries and particularly on the multinational companies. Speakers from developing countries underlined that expansion of the mutually advantageous co-operation between socialist and developing countries in this area would help diversify the sources of supply and therefore decrease the complete dependance of the latter on supplies from western countries.

9. Supply of Spare Parts for Developing Countries

The experts reviewed the experience of supplying developing countries with spare parts for machines and equipment delivered to them by socialist countries. Apart from the considerable progress in this area, some shortcomings were also pointed out. Speakers from developing countries asked if the appropriate agencies in socialist countries could devote even more attention to production and timely delivery of spare parts, to exercise additional flexibility and understanding while planning the production of spare parts, bearing in mind the planning, managerial and informational imperfections in developing countries and their implications on timely submission of requests for spare parts by firms from developing countries to the suppliers of equipment from socialist countries. More attention should be paid at the contractual stage for delivery of equipment to those clauses governing the regular supply of parts.

Suggestions were made that during the negotiation of the contracts between the partners, the various spare parts may be divided into two groups:

(a) more sophisticated, for which the supplier of equipment would assume the firm responsibility for regular delivery of parts for a specified period;

(b) less sophisticated, for which the recipient developing country would assume the responsibility of gradually initiating their production on the spot with the assistance of the supplier of equipment.

10. Promotion of Technology Transfer from Socialist to Developing Countries

The speakers devoted much of their attention to the role of the socialist countries in the transfer and adaptation of technology. Experts from more advanced developing countries understandably emphasized scientific and technological assistance in certain fields of interest to them for solving specific technological problems. On the other hand, experts from less

advanced developing countries underlined their interest in complex (package) technological assistance, i.e. implementation of projects under "turn key" terms; continuous direct assistance on the spot to assure normal operation of the establishment, training of manpower; etc.

The relevant agencies in socialist countries were asked if they could explore and offer new forms of technology transfer to developing countries in addition to the conventional ones. The view was expressed that socialist countries have an enormous untapped potential for the transfer of technology to developing countries.

The experts felt that international meetings, similar to the present one, might be held to discuss various practical aspects of transfer of technology from socialist to developing countries and to come up with specific recommendations to the parties concerned. The governments of socialist countries, the Secretariat of UNIDO and the Secretariat of the CMEA were asked to investigate jointly the feasibility of undertaking practical steps in this direction.

The speakers felt that the appropriate agencies in developing and socialist countries might wish to consider new institutional arrangements and channels for technology transfer to developing countries, such as:

(a) Establishment of direct working relations between similar consulting firms, designing bureaus and other such institutions from socialist and developing countries for carrying out joint investigations, joint designing, contracting and subcontracting, etc. In the course of such joint activities, for instance between large engineering design organizations for metallurgical plants and foundries from socialist countries with similar designing bureaus from developing countries, technological problems of common interest would be solved. Even more important, in the process of the joint exercise training would be provided to specialists from developing countries, and would help them gradually, in the course of a number of years, to acquire knowledge and experience enabling them to assume a larger share of the exploratory, designing and other functions carried out at present almost exclusively by institutions from developed countries, socialist or western.

(b) Establishment of direct working relations between similar research institutes and universities, carrying out specific research and development activities of mutual interest aimed at solving jointly specific problems in the field of applied research, and in doing so, assisting the partner from a developing country in upgrading his competence. Such arrangements, it was felt, would contribute to promoting gradually research and development capacities in developing countries and would facilitate the long and difficult process of gradually restructuring the world's research capacities in favour of developing countries. One might note in passing the paradoxical fact that at present more than 90 per cent of the research on developing countries is being done by institutions located in developed countries.

11. The Role of Socialist Countries in Promoting National Industrial Information Systems in Developing Countries

Referring to the Lima Declaration of 1975 and positively assessing the activity of UNIDO in its experimental efforts on industrial information and technological data bank, the speakers asked the relevant agencies in socialist countries not only to activate further their co-operation with the UNIDO Secretariat on the expansion of the information bank, but also to continue providing more active direct assistance to developing countries in establishing their own national systems for collecting, processing and utilizing industrial information. It may be desirable to begin with joint investigations and design, research for alternative sources of technology, licence information and its utilization, etc. The relevant agencies in socialist countries are much better equipped, the experts felt, to submit specific proposals on the ways and means of providing assistance to developing countries, covering all aspects of this complex problem.

12. Closer Co-operation in the Field of Standardization and Quality Control

The speakers from developing countries felt that assistance from socialist countries is needed for building up an appropriate institutional infrastructure and expertize in the field of technological and quality control, standardization systems, etc., in interested developing countries. This in itself would facilitate future economic co-operation. Along these lines, wishes were expressed that the relevant agencies in socialist countries,

when preparing their own standards for goods to be delivered to developing countries, would explore the possibilities of further adjustments in these standards with regard to the working, climatic and other conditions in the recipient countries and the desires of the consumers.

13. Participation of Socialist Countries in the Consultations and Negotiations sponsored by UNIDO

Praising the usefulness of the UNIDO-sponsored programme of sectoral, regional and global consultations, speakers from developing countries expressed the hope that socialist countries could further activate their participation in these consultations. By doing so they would help on the spot the representatives of the developing countries. A suggestion was also put forward to the attention of the relevant agencies in the socialist countries to consider organizing on a regular basis jointly with UNIDO and with interested developing countries a system of consultations to assist developing countries in identifying and solving complex problems at a national or sectoral level, as well as in implementing their investment programmes. The participants appreciated the offer of Bulgaria to hold annually, within the framework of the Plovdiv International Fair, business consultations on selected industrial branches or sub-branches, as stated in para. 5 of the adopted Aide-Mémoire. The speakers expect that UNIDO will also offer its contribution in implementing this interesting undertaking and hope that the relevant agencies from other socialist countries will also give due consideration to the above idea.

14. Participation of Socialist Countries in Promotion of Labour-Intensive Industries in Developing Countries

Referring to the great importance of the labour-intensive small- and medium-scale industries for the industrialization of developing countries, many speakers stated that they look to the socialist countries for their assistance in developing these industries.

In this connexion suggestions were made that UNIDO, UNCTAD and ILO could better co-ordinate their action and eventually undertake joint initiatives together with a socialist country or a group of socialist countries for providing more active assistance to developing countries in promoting suitable labour-intensive small- and medium-scale industries which, inter alia, would produce considerable social benefits - new jobs for the growing army of unemployed people - and would generate additional potential for exchange of labour-intensive commodities with socialist countries.

15. Assistance to Industrial Promotion Agencies in Developing Countries

Wishes were expressed that the relevant agencies in socialist countries would establish closer contacts with, and provide assistance to, existing industrial promotion agencies in developing countries as well as contribute to the setting up of new ones.

16. Promotion of Closer Working Relations between Chambers of Commerce and Industry from Developing and Socialist Countries

Speakers from developing countries called the attention of the Meeting to the need of establishing even closer working relations between the chambers of commerce and industry and the other foreign trade organizations of socialist countries with their counterpart agencies from developing countries. It was strongly felt that this would facilitate the exchange of information between the partners, would contribute to better mutual acquaintance and would help promote faster the economic co-operation. The experts felt that UNCTAD might play an important role in this matter.

17. Dissemination of Information on Industrial Co-operation Agreements and Contracts between Developing and Socialist Countries

Some speakers asked if it would be possible for the relevant agencies from socialist countries to share information on previously concluded agreements and contracts for economic co-operation with developing countries with other developing countries, provided the two partners concerned agreed to it. For instance, it was noted that the USSR had built iron and steel plants in many developing countries during the last fifteen to twenty years. If other developing countries, which now intend to construct such plants, had access to agreements on this matter previously concluded and implemented, they would be assisted in making their choice and in avoiding errors made by others in the past. The speakers acknowledged that the implementation of this idea may not be as simple as it would seem at first glance; however, if proven feasible, it would be of great help to developing countries.

Referring to the experience of UNIDO in collecting, storing and disseminating information on know-how licences provided by western countries to developing countries, a suggestion was made that similar agreements between socialist and developing countries could also be provided for use by others either through UNIDO or by way of other appropriate arrangements, not affecting, of course, the interests of the partners involved in the above agreements.

18. Unification of the Approaches for Preparation of Feasibility Studies for Developing Countries

Referring to the great variety of approaches and concepts applied by various consulting firms while preparing feasibility studies for investment projects in developing countries, some speakers expressed the wish that the relevant institutions in socialist countries would consider some unification in the approaches. With this in mind, the participants were reminded of the UNIDO manuals for preparation of feasibility studies and for evaluation of industrial investment projects in developing countries.

Consulting firms and engineering design organizations from socialist countries were asked if they could consider accepting specialists from the recipient institutions in developing countries to work with their staff while pre-feasibility or feasibility studies were being prepared for a developing country. It was felt that such an arrangement would be of mutual interest- would provide additional information, would help avoid some technical, economic or other errors in the work process, would offer an opportunity for engineers from developing countries to upgrade their skills.

19. Participation of Firms from Developing Countries in the Implementation of Industrial Projects in Socialist Countries

Speakers from more advanced developing countries pointed out that some firms from their countries are well equipped to take part in the implementation of investment projects in socialist countries. The relevant agencies in the socialist countries may wish to have this alternative in mind and use the services of the appropriate firms from developing countries on mutually advantageous terms.

20. Assistance to Improving Economic Planning in Developing Countries

The importance of well founded, consistent medium- and long-term plans and programmes for industrial development was referred to by many speakers. The impressive experience of socialist countries in socio-economic planning was also emphasized. It was stated that most of the developing countries do not have expertize to produce adequate industrial development plans. It is for these reasons, many speakers said, that the more active assistance of socialist countries in upgrading economic planning and programming in interested developing countries would be very much appreciated. This would contribute both to producing better plans and better planners.

21. Preparation of a Manual for Assessment of the Mutual Benefits from International Industrial Co-operation

No country would commit itself to an international co-operation scheme (bi-, tri- or multilateral) unless it were really convinced that this would be beneficial to the nation. At present the assessment of benefits from international co-operation poses many problems. These benefits are usually expressed in general terms, in very vague forms, which are often misleading and not convincing. It is therefore felt that one of the pre-conditions for further expansion of mutually beneficial international industrial co-operation in which developing countries are involved is the preparation of an operational methodology for approximate qualitative and quantitative assessment of the actual benefits accrued to the partner countries.

It is well known that the CMEA member countries apply such a methodology and continue working on its further improvement. Speakers from developing countries asked if UNIDO, CMEA and the relevant agencies from socialist countries would take the initiative of preparing a Manual for assessment of the efficiency of international industrial co-operation tailored to the prevailing conditions in developing countries.

22. Promotion of Multilateral Co-operation between Developing and Socialist Countries

The experts demonstrated a great deal of interest in the various forms of multilateral co-operation and called the Meeting's attention to the growing role they are going to play in the future. It was strongly felt that both at present and in the near future, bilateral relations will continue to be the major channel of economic co-operation between developing and socialist countries, but in the course of the coming years they will be more and more supplemented (not challenged) by the forms of multilateral co-operation.

In this connexion, hope was expressed by the speakers that the Secretariat of the CMEA and the International Investment Bank of the CMEA member countries would consider playing a more active role in financing investment projects of mutual interest in developing countries as well as in developing new forms of multilateral co-operation with them.

The experts took note of the important medium- and long-term planning activities on economic co-operation going on at present within the framework of the CMEA: co-ordination of the national socio-economic development plans

for 1981-1990 of the member countries on a bilateral basis; preparation of a comprehensive general scheme for production specialization and co-operation between the member countries up to 1990 on a bilateral basis; preparation of new (in addition to those already adopted) long-term target-oriented comprehensive programmes for co-operation in the most important sectors of the national economy and in industry in particular up to 1990 on a multilateral basis.

Taking into consideration the above major developments, the speakers suggested bringing to the attention of the governments of the CMEA member countries and to the Secretariats of the CMEA, UNIDO and UNCTAD that they might consider appropriate ways and means for jointly undertaking a major study on the following: Implications of the economic integration within the CMEA during the 1980's on the industrial co-operation of member countries with developing countries. The experts from the developing countries emphasized that the intention is to draw relevant lessons from the on-going far-reaching integration process within the CMEA and to develop in the future an appropriate policy and, if possible, a mechanism so that the future economic co-operation between developing and socialist countries on bilateral and multilateral terms may take place in the most general framework of the CMEA economic integration, to be related to it, to make the two flows mutually complementary and supporting each other, and to create conditions under which developing countries would derive the greatest possible benefit from this co-operation.

It is felt that in conjunction with the above proposed major study, prior to, during and after its completion, international meetings at an appropriate level should be held for discussing practical steps to be taken towards closer economic co-operation between developing and socialist countries.

23. Dissemination of Information on the Functioning of the Mechanism of Economic Integration within the CMEA

The experts from developing countries showed a great deal of interest in the mechanism of economic integration among CMEA member countries, in the accumulated experience thus far, and in possibilities of benefitting from this experience, after appropriate adjustments had been made to suit the conditions in their countries and regions. As stated above, there is great interest regarding the new forms of co-operation, including the long-term, target-oriented comprehensive programmes for co-operation up to 1990 in the raw materials and

energy producing sectors, in the machine building industries, in the chemical industries, in the food-processing industries, in agriculture, etc.

With this in mind, speakers from developing countries suggested to the Secretariats of the CMEA and UNIDO to explore undertaking joint initiatives for acquainting specialists from developing countries with the CMEA mechanism on multilateral co-operation. These initiatives may comprise publication and distribution of appropriate documents, holding seminars for participants from developing countries, arranging meetings of senior experts from the CMEA Secretariat and from the secretariats of regional economic organizations of developing countries for discussing issues of common interest, etc.

There was also great interest in the functioning of the CMEA mechanism for providing special assistance (bilateral or multilateral) to the less advanced member countries of the organization such as Mongolia, Cuba, Vietnam. The desire was also expressed for dissemination of information on various other forms of co-operation between the CMEA and other developing countries, non-members of the organization, such as Iraq, the Democratic Yemen, Ethiopia, Angola, Mozambique, Mexico, Yugoslavia, etc.

24. Restructuring of World Industry and Redeployment of Industries

The topic of restructuring of industry at the global and national levels in relation to co-operation between developing and socialist countries was also introduced. In its presentation the UNIDO Secretariat emphasized that considerable endeavours would seem to be necessary to analyze long-term expectations for increased and diversifying co-operation between socialist and developing countries. In the on-going industrial specialization process of socialist countries, this would enable a direct linkage to be established with individual or groups of developing countries.

From the side of the developing countries, a pronunciation of their long-term industrialization objectives, strategies and co-operation policies would be called for. This would imply increased efforts by these countries to identify long-term growth prospects and to prepare industrial strategies within the framework of overall growth objectives.

The participants emphasized that industrial co-operation would indeed require very thorough synchronization of economic activities and industrial structures of the countries concerned, and that projections of long-term developments would be required as a basis for conceiving this co-operation.

The experts pointed out that increased trade between the socialist and the developing countries is possible only through co-operation in industrial production. In this connection, experts from the socialist countries referred to the concept of redeployment as defined by UNIDO as "a form of international industrial co-operation for resources transfers aimed at establishing productive capacities in the developing countries with a view to increasing these countries' share in total world industrial production on the basis of each country's factor and skill endowment, development objectives and other socio-economic considerations".

It was pointed out by experts of the socialist countries that their actual industrial co-operation with developing countries could clearly be seen as redeployment in this sense of the word.

25. Closer Co-operation between Developing and Socialist Countries at International Fora

Speakers from the developing countries referred to the assistance and the co-operation the representatives of their countries receive from representatives of socialist countries at international fora, where practical steps have been discussed aimed at the establishment of a New International Economic Order. Within this context a strong hope was expressed for even more active support by the socialist countries in the future, and particularly at the forthcoming Third General Conference of UNIDO in New Delhi in January-February 1980.